

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS

FORT WORTH DIVISION

FILED
U.S. DISTRICT COURT
NORTHERN DIST. OF TX
FORT WORTH DIVISION
1999 OCT 12 P 3:17
NANCY DOHERTY, CLERK
BY: [Signature]

UNITED STATES OF AMERICA

v.

CRIMINAL NO.

4-99CR-221-A

SCOTT THOMAS SCHAMBACHER

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INFORMATION

The United States Attorney Charges:

A. INTRODUCTION

1. During at least the 1992-96 time period, the defendant, SCOTT THOMAS SCHAMBACHER, (SHAMBACHER or "the defendant") was engaged in the business of building and selling residential properties. The defendant operated in this business under the name of STS Construction, Inc. (STS). As part of his effort to sell homes constructed by STS, the defendant worked closely with several local mortgage companies to assist potential home buyers qualify for financing of their home purchase.

2. As an experienced home builder who regularly worked with mortgage companies, the defendant was familiar with industry standards regarding loan eligibility and minimum down payments needed from potential home buyers seeking to qualify for loan approval.

B. THE SCHEME AND ARTIFICE TO DEFRAUD

3. Beginning in late 1994 and continuing through late 1995, in the Fort Worth Division of the Northern District of Texas, and elsewhere,

SCOTT THOMAS SCHAMBACHER (SCHAMBACHER), the defendant,
knowingly and willfully devised and participated in a scheme and artifice to defraud several mortgage companies and to obtain money from various mortgage companies by means of false and fraudulent pretenses, representations, and promises, and by the following manner and means:

4. It was a part of the defendant's scheme and artifice to defraud that the defendant provided false information to mortgage companies in an effort to insure that the loan application would be approved and the loan funded.

5. It was a further part of the defendant's scheme and artifice to defraud that the defendant deceived mortgage companies in an effort get loan funds into the hands of prospective home buyers so that these individuals could then purchase homes built by the defendant.

6. It was a further part of the defendant's scheme and artifice to defraud that the defendant deceived mortgage companies by providing the following to mortgage companies:

- a) false information relating to a loan applicant's employment, income, and current bank balances; and
- b) false information relating to the source of the loan applicant's down payment.

7. It was a further part of the defendant's scheme and artifice to defraud that the defendant made false statements in the sales contracts with home buyers falsely representing that the buyer was the source of the down payment for the loan.

8. It was a further part of the defendant's scheme and artifice to defraud that the defendant on several occasions secretly provided down payment funds to a loan applicant by giving the applicant a check on the STS corporate account. On the face of each of these checks made payable to loan applicants, the defendant made false statements referring to a "pool and landscape allowance". These false statements were made in the memo portion of the check in order to conceal that the true purpose of these checks was to secretly provide down payment funds to loan applicants.

9. It was a further part of the defendant's scheme and artifice to defraud that the defendant to engage in the above-referenced fraudulent conduct in order to fraudulently induce the mortgage company to approve a mortgage loan. The defendant's fraudulent conduct caused mortgage companies to make loan approval decisions based upon false information, thereby increasing the risk of default of these loans.

COUNT 1

Mail Fraud/Aiding and Abetting

[18 U.S.C. §§ 1341, and 2]

1. The Grand Jury realleges and incorporates herein as if set forth in full the Scheme and Artifice to Defraud within the Introduction of this indictment and further alleges that:

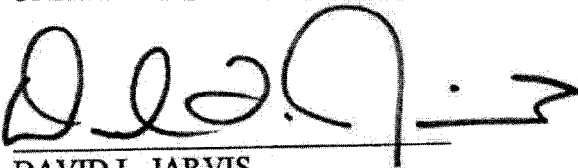
2. On or about July 21, 1995, in the Fort Worth Division of the Northern District of Texas,

defendant SCOTT THOMAS SCHAMBACHER,

for the purpose of executing and attempting to execute the said scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly caused to be delivered by the United States Postal Service according to the directions thereon, an envelope addressed to Mellon Mortgage Company, located in North Richland Hills, Texas, which contained a completed loan application.

In violation of Title 18, United States Code, Sections 1341 and 2.

PAUL E. COGGINS
UNITED STATES ATTORNEY

A handwritten signature in black ink, appearing to read 'D.L. Jarvis', with a horizontal line underneath it.

DAVID L. JARVIS
Assistant United States Attorney
State Bar of Texas No. 10585500
801 Cherry Street, Suite 1700
Fort Worth, Texas 76102
(817) 252-5200